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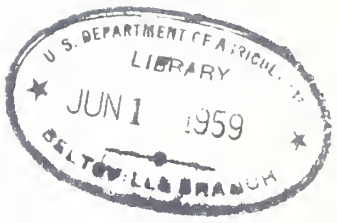

TOBACCO-LIVESTOCK FARMING, BLUEGRASS AREA OF KENTUCKY FARM COSTS AND RETURNS, 1957 1/

By Erling Hole and John H. Bondurant 2/

Net cash farm income in 1957 on commercial family-operated tobacco-livestock farms in the Bluegrass area of Kentucky averaged $2,332 per farm. This was 3 percent lower than in 1956. Cash receipts were 1 percent lower in 1957. They declined for tobacco but increased for livestock. Cash expenditures were 1 percent higher.

In 1957, net farm income (net cash income plus value of perquisites, including dwelling and farm-produced food used by the family, and changes in inventories) averaged approximately $1,950 per farm for small commercial family-operated tobacco-livestock farms, $2,660 for medium-sized farms, and $3,560 for large farms. It averaged $2,870 for all commercial family-operated tobacco-livestock farms. These incomes reflected a substantial reduction in crop production in addition to the decrease in net cash income. They were 10 percent lower than in 1956, and except for 1955, the lowest in 10 years.

The volume of farm production was 4 percent lower in 1957 than in 1956, mainly because of lower crop yields. Production of Burley tobacco was 2 percent lower in 1957. The yield per acre of tobacco leaf was lower but next to 1954 and 1956, it was the third highest on record. Prices received

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1/ Information for earlier years on these farms is available in Ky. Agr. Expt. Bul. 544, Farming in the Bluegrass Area of Kentucky, December 1949 (1939-48); U. S. Bur. Agr. Econ. F. M. 94, Farm Costs and Returns, 1951 with Comparisons, Commercial Family-Operated Tobacco-Livestock Farms, Bluegrass Area of Kentucky, May 1952 (1949); U. S. Prod. Econ. Res. Br., ARS, PERB 2, Farm Costs and Returns 1953 with Comparisons, Commercial Family-Operated Tobacco-Livestock Farms, Bluegrass Area of Kentucky, June 1954 (1950); and U. S. Prod. Econ. Res. Br., ARS 43-16, Tobacco-Livestock Farming, Bluegrass Area of Kentucky, Costs and Returns, 1954, June 1955 (1951-53).

2/ Farm Economics Research Division, Agricultural Research Service, U. S. Department of Agriculture, and Department of Agricultural Economics, Kentucky Agricultural Experiment Station, respectively.

for Burley tobacco declined by 6 percent but were still the second highest on record. As a result, receipts from the sale of tobacco were 8 percent lower in 1957 than in 1956. Production of feed crops was considerably lower mainly because of lower yields per acre. Production of livestock and livestock products increased and except for poultry and eggs, their prices were generally higher.

In 1957, costs of production were the highest on record. Total cost of production was 10 percent higher in 1957 than in 1956, and because production was lower in 1957, the cost per unit of production was 15 percent higher.

After deducting charges for use of capital, returns to operator and family labor and management averaged 56 cents an hour on small farms, 55 cents on medium-sized farms, 48 cents on large farms, and 53 cents on average commercial family-operated farms. These returns were a third smaller than in 1956 and the lowest in 16 years.

Table 1.- Small tobacco-livestock farms, Kentucky Bluegrass: Organization, production, costs, and returns, 1957, with comparisons

Item	Unit	Average		1954	1955	1956	1957 1/
		1937-41	1947-49				
Land in farm	Acre	50	50	50	50	50	50
Cropland harvested	do.	16	16	16	16	16	15
Plowable pasture	do.	25	24	23	24	24	24
Other land	do.	9	10	11	10	10	11
Crops harvested:							
Tobacco	do.	3.3	3.1	2.8	2.1	2.1	2.1
Corn	do.	4.5	3.5	3.4	3.3	3.2	3.0
Small grain	do.	2.5	1.4	1.5	1.2	1.0	.9
Hay	do.	5.7	8.4	7.9	9.3	9.3	8.7
Crop yields per harvested acre:							
Tobacco	Pound	964	1,226	1,606	1,403	1,508	1,480
Corn	Bushel	34.6	43.3	37.0	50.0	55.0	47.0
Wheat	do.	16.4	18.3	25.0	21.0	21.0	17.0
Hay	Ton	1.3	1.5	1.6	1.7	1.8	1.6
Livestock on farm, January 1:							
All cattle	Number	4.6	5.2	5.6	5.5	5.7	5.9
Milk cows	do.	3.1	3.2	3.2	3.0	3.0	3.0
Sheep and lambs	do.	6.9	5.4	5.2	5.4	5.6	5.8
Chickens	do.	45	44	41	40	38	39
Horses and mules	do.	2.4	2.1	1.5	1.4	1.3	1.2
Pigs raised	do.	6.8	8.5	7.4	8.3	8.6	8.7
Tractors on farm	do.	.04	.15	.28	.29	.30	.30
Total labor used	Hour	2,950	2,710	2,540	2,330	2,380	2,370
Operator and family	do.	2,770	2,600	2,480	2,280	2,340	2,330
Hired	do.	180	110	60	50	40	40
Total farm capital, January 1	Dollar	4,730	9,190	10,870	10,820	10,880	11,810
Land and buildings	do.	3,790	7,150	8,600	8,600	8,600	9,300
Machinery and equipment	do.	260	480	930	970	1,050	1,130
Livestock	do.	520	1,140	860	790	820	920
Crops for sale, feed and seed	do.	160	420	480	460	410	460
Total cash receipts	do.	976	2,612	2,960	2,441	2,704	2,661
Tobacco	do.	641	1,772	2,204	1,719	1,971	1,818
Livestock	do.	163	482	412	363	358	456
Livestock products	do.	116	330	322	335	343	352
Other, including Government payments	do.	56	28	22	24	32	35
Total cash expenditures	do.	365	898	1,185	1,160	1,155	1,182
Feed purchased	do.	45	163	157	148	139	149
Livestock expense	do.	16	35	38	38	38	37
Crop expense	do.	52	173	266	246	236	245
Machinery	do.	103	259	428	426	439	442
Farm buildings and fences	do.	58	100	102	110	110	114
Hired labor	do.	27	54	36	29	27	28
General farm and miscellaneous	do.	64	114	158	163	166	167
Net cash farm income	do.	611	1,714	1,775	1,281	1,549	1,479
Value of perquisites	do.	230	554	567	538	544	565
Change in inventory:							
Crops and livestock	do.	36	10	-13	91	36	-112
Machinery and buildings	do.	18	54	46	37	29	19
Net farm income	do.	895	2,332	2,375	1,947	2,158	1,951
Charge for capital 2/	do.	189	368	435	433	435	638
Return to operator and family labor 2/	do.	706	1,964	1,940	1,514	1,723	1,313
Purchasing power in 1937-41 dollars 2/	do.	706	1,000	878	688	769	571
Return per hour in current dollars 2/	do.	.25	.76	.78	.66	74	.56
Index numbers (1947-49=100):							
Gross farm income	Percent	39	100	111	97	103	98
Net farm income	do.	38	100	102	83	93	84
Net farm production	do.	89	100	112	91	93	89
Crop yields per acre	do.	80	100	123	114	122	117
Production per hour of man labor	do.	82	100	119	106	106	102
Production per unit of input	do.	90	100	108	93	94	90
Operating expense per unit of production	do.	47	100	121	144	142	153
Total cost per unit of production 2/	do.	46	100	110	127	129	147
Power and machinery, January 1	do.	83	100	146	151	157	160
Prices received for products sold	do.	43	100	99	108	113	108
Prices paid, including wages to hired labor	do.	50	100	116	116	117	120

1/ Preliminary. 2/ Revised.

Table 2.- Medium tobacco-livestock farms, Kentucky Bluegrass: Organization, production, costs, and returns, 1957, with comparisons

Item	Unit	Average		1954	1955	1956	1957 1/
		1937-41	1947-49				
Land in farm	Acre	95	95	95	95	95	95
Cropland harvested	do.	24	26	26	26	26	24
Plowable pasture	do.	47	45	43	44	44	45
Other land	do.	24	24	26	25	25	26
Crops harvested:							
Tobacco	do.	4.7	4.8	4.4	3.3	3.3	3.3
Corn	do.	6.9	6.0	6.0	5.7	5.6	5.3
Small grain	do.	3.2	2.1	2.8	2.4	2.1	1.8
Hay	do.	9.4	13.3	12.6	14.8	14.6	14.1
Crop yields per harvested acre:							
Tobacco	Pound	982	1,248	1,626	1,422	1,529	1,500
Corn	Bushel	34.6	43.8	38.0	51.0	57.0	47.0
Wheat	do.	16.4	18.3	25.0	21.0	21.0	17.0
Hay	Ton	1.3	1.5	1.6	1.7	1.8	1.6
Livestock on farm, January 1:							
All cattle	Number	6.8	9.9	12.5	12.3	12.6	13.0
Milk cows	do.	3.7	5.2	5.3	5.1	5.1	5.1
Beef cows	do.	.6	1.6	2.7	2.6	2.6	2.7
Sheep and lambs	do.	20.8	9.8	9.8	10.2	10.7	11.0
Chickens	do.	51	49	47	46	44	45
Horses and mules	do.	2.9	2.5	1.8	1.7	1.7	1.6
Pigs raised	do.	10.8	10.4	10.2	11.6	12.2	12.3
Tractors on farm	do.	.04	.22	.39	.40	.41	.41
Total labor used	Hour	4,060	3,960	3,820	3,480	3,590	3,580
Operator and family	do.	2,910	2,850	2,860	2,680	2,800	2,800
Hired	do.	640	540	440	340	310	300
Cropper	do.	510	570	520	460	480	480
Total farm capital, January 1	Dollar	8,070	15,900	19,210	19,160	19,310	20,940
Land and buildings	do.	6,670	12,540	15,200	15,200	15,200	16,440
Machinery and equipment	do.	370	850	1,680	1,760	1,910	2,040
Livestock	do.	780	1,810	1,550	1,460	1,540	1,720
Crops for sale, feed and seed	do.	250	700	780	740	660	740
Total cash receipts	do.	1,481	4,109	4,878	4,047	4,473	4,417
Tobacco	do.	935	2,742	3,509	2,738	3,140	2,896
Livestock	do.	293	879	842	743	734	912
Livestock products	do.	157	444	493	528	544	550
Other, including Government payments	do.	96	44	34	38	55	59
Total cash expenditures	do.	695	1,776	2,387	2,218	2,228	2,250
Feed purchased	do.	75	210	214	199	187	198
Livestock expense	do.	23	49	57	57	59	58
Crop expense	do.	79	279	444	415	397	410
Machinery	do.	152	402	698	679	696	700
Farm buildings and fences	do.	79	140	158	170	170	175
Hired labor	do.	98	248	249	190	178	184
Cropper labor	do.	70	229	268	200	229	212
General farm and miscellaneous	do.	119	219	299	308	312	313
Net cash farm income	do.	786	2,333	2,491	1,829	2,245	2,167
Perquisites for cropper and hired labor	do.	30	85	71	61	62	65
Total value of perquisites	do.	282	689	719	676	684	706
Change in inventory:							
Crops and livestock	do.	45	3	-17	163	62	-175
Machinery and buildings	do.	29	90	84	65	50	32
Net farm income	do.	1,112	3,030	3,206	2,672	2,979	2,665
Charge for capital 2/	do.	323	636	768	766	772	1,131
Return to operator and family labor 2/	do.	789	2,394	2,438	1,906	2,207	1,534
Purchasing power in 1937-41 dollars 2/	do.	789	1,218	1,103	866	985	667
Return per hour in current dollars 2/	do.	.27	.84	.85	.71	.79	.55
Index numbers (1947-49=100):							
Gross farm income	Percent	37	100	116	102	109	103
Net farm income	do.	37	100	106	88	98	88
Net farm production	do.	85	100	119	97	99	95
Crop yields per acre	do.	80	100	122	113	122	116
Production per hour of man labor	do.	83	100	123	111	110	105
Production per unit of input	do.	90	100	110	96	96	92
Operating expense per unit of production	do.	47	100	114	128	127	135
Total cost per unit of production 2/	do.	47	100	108	124	126	144
Power and machinery, January 1	do.	67	100	151	156	162	165
Prices received for products sold	do.	43	100	97	105	110	107
Prices paid, including wages to hired labor	do.	46	100	120	118	119	121

1/ Preliminary. 2/ Revised.

Table 3.- Large tobacco-livestock farms, Kentucky Bluegrass: Organization, production, costs, and returns, 1957, with comparisons

Item	Unit	Average		1954	1955	1956	1957 1/
		1937-41	1947-49				
Land in farm	Acre	173	173	173	174	174	175
Cropland harvested	do.	43	44	43	44	42	41
Plowable pasture	do.	86	83	81	83	84	86
Other land	do.	44	46	49	47	48	48
Crops harvested:							
Tobacco	do.	7.4	7.4	6.8	5.2	5.2	5.2
Corn	do.	11.1	9.6	9.5	9.2	9.2	8.9
Small grain	do.	9.0	6.2	7.3	6.5	5.9	5.1
Hay	do.	15.2	21.1	19.4	22.6	22.2	21.9
Crop yields per harvested acre:							
Tobacco	Pound	1,023	1,300	1,711	1,470	1,580	1,550
Corn	Bushel	36.4	46.0	39.0	53.0	58.0	49.0
Wheat	do.	16.4	18.3	25.0	21.0	21.0	17.0
Hay	Ton	1.3	1.5	1.5	1.7	1.7	1.6
Livestock on farm, January 1:							
All cattle	Number	10.0	14.0	18.0	17.8	18.3	18.8
Milk cows	do.	4.9	5.8	5.7	5.4	5.4	5.4
Beef cows	do.	.9	2.6	5.3	5.2	5.4	5.6
Sheep and lambs	do.	34.8	23.2	23.9	24.6	25.8	26.6
Chickens	do.	54	53	51	50	48	49
Horses and mules	do.	4.0	3.0	2.3	2.2	2.2	2.1
Pigs raised	do.	15.9	13.6	12.9	15.0	16.2	16.5
Tractors on farm	do.	.18	.41	.72	.74	.75	.76
Total labor used	Hour	5,880	5,430	5,330	4,910	5,040	5,030
Operator and family	do.	3,090	2,930	3,070	2,940	3,080	3,080
Hired	do.	1,390	1,030	880	710	640	640
Cropper	do.	1,400	1,470	1,380	1,260	1,320	1,310
Total farm capital, January 1	Dollar	14,660	28,600	34,870	35,040	35,230	38,300
Land and buildings	do.	12,490	23,530	28,540	28,710	28,710	31,150
Machinery and equipment	do.	650	1,400	2,770	2,910	3,150	3,370
Livestock	do.	1,120	2,580	2,320	2,250	2,310	2,580
Crops for sale, feed and seed	do.	400	1,090	1,240	1,170	1,060	1,200
Total cash receipts	do.	2,506	6,646	7,880	6,457	7,201	7,105
Tobacco	do.	1,544	4,413	5,705	4,460	5,113	4,716
Livestock	do.	536	1,547	1,447	1,279	1,305	1,611
Livestock products	do.	213	467	483	516	530	551
Other, including Government payments	do.	213	219	245	202	253	227
Total cash expenditures	do.	1,397	3,312	4,386	4,043	4,136	4,135
Feed purchased	do.	113	237	224	209	209	212
Livestock expense	do.	33	67	78	78	82	83
Crop expense	do.	128	452	726	697	671	699
Machinery	do.	297	678	1,124	1,095	1,130	1,132
Farm buildings and fences	do.	149	276	314	340	340	348
Hired labor	do.	214	470	495	398	371	384
Cropper labor	do.	240	735	885	668	766	706
General farm and miscellaneous	do.	223	397	540	558	567	571
Net cash farm income	do.	1,109	3,334	3,494	2,414	3,065	2,970
Perquisites for cropper and hired labor	do.	78	207	177	153	156	162
Total value of perquisites	do.	370	906	951	894	905	935
Change in inventory:							
Crops and livestock	do.	82	70	-20	265	113	-241
Machinery and buildings	do.	73	169	139	111	86	59
Net farm income	do.	1,556	4,272	4,387	3,531	4,013	3,561
Charge for capital 2/	do.	586	1,144	1,395	1,402	1,409	2,068
Return to operator and family labor 2/	do.	970	3,128	2,992	2,129	2,604	1,493
Purchasing power in 1937-41 dollars 2/	do.	970	1,593	1,354	968	1,163	649
Return per hour in current dollars 2/	do.	.31	1.07	.97	.72	.85	.48
Index numbers (1947-49=100):							
Gross farm income	Percent	39	100	116	100	108	102
Net farm income	do.	36	100	103	83	94	83
Net farm production	do.	87	100	117	95	98	94
Crop yields per acre	do.	80	100	123	113	120	115
Production per hour of man labor	do.	81	100	119	105	105	101
Production per unit of input 2/	do.	90	100	108	92	93	89
Operating expense per unit of production	do.	47	100	113	128	128	134
Total cost per unit of production 2/	do.	48	100	111	128	129	148
Power and machinery, January 1	do.	72	100	151	157	162	165
Prices received for products sold	do.	43	100	99	106	111	107
Prices paid, including wages to hired labor	do.	45	100	121	117	120	121

1/ Preliminary. 2/ Revised.

Table 4.- Area-type tobacco-livestock farms, Kentucky Bluegrass: Organization, production, costs, and returns, 1957, with comparisons

Item	Unit	Average		1954	1955	1956	1957 1/
		1937-41	1947-49				
Land in farm	Acre	110	113	113	116	116	117
Cropland harvested	do.	28	30	30	31	30	29
Plowable pasture	do.	54	54	52	55	55	57
Other land	do.	28	29	31	30	31	31
Crops harvested:							
Tobacco	do.	5.3	5.3	4.9	3.8	3.8	3.8
Corn	do.	7.7	6.7	6.7	6.5	6.5	6.2
Small grain	do.	5.1	3.5	4.2	3.8	3.4	2.9
Hay	do.	10.3	15.0	14.0	16.6	16.4	16.0
Crop yields per harvested acre:							
Tobacco	Pound	995	1,273	1,670	1,438	1,546	1,522
Corn	Bushel	35.5	44.7	38.0	52.0	57.0	48.0
Wheat	do.	16.4	18.3	25.0	21.0	21.0	17.0
Hay	Ton	1.3	1.5	1.5	1.7	1.7	1.6
Livestock on farm, January 1:							
All cattle	Number	7.2	10.2	12.8	12.8	13.2	13.6
Milk cows	do.	3.9	4.9	4.9	4.7	4.7	4.7
Beef cows	do.	.5	1.5	3.1	3.1	3.2	3.4
Sheep and lambs	do.	21.7	13.9	14.0	14.9	15.6	16.1
Chickens	do.	50	49	47	46	44	45
Horses and mules	do.	3.1	2.7	1.9	1.8	1.8	1.7
Pigs raised	do.	11.3	11.4	10.5	12.2	12.9	13.1
Tractors on farm	do.	.09	.28	.49	.51	.52	.53
Total labor used	Hour	4,380	4,190	4,070	3,780	3,880	3,890
Operator and family	do.	2,930	2,810	2,850	2,690	2,800	2,800
Hired	do.	770	620	510	420	380	380
Cropper	do.	680	760	710	670	700	710
Total farm capital, January 1	Dollar	9,440	19,050	23,060	23,590	23,720	25,850
Land and buildings	do.	7,900	15,370	18,620	19,090	19,090	20,760
Machinery and equipment	do.	440	970	1,900	2,040	2,200	2,360
Livestock	do.	820	1,930	1,660	1,610	1,670	1,870
Crops for sale, feed and seed	do.	280	780	880	850	760	860
Total cash receipts	do.	1,687	4,686	5,505	4,614	5,137	5,080
Tobacco	do.	1,065	3,134	4,013	3,189	3,656	3,384
Livestock	do.	335	1,030	962	868	874	1,089
Livestock products	do.	162	418	443	475	488	503
Other, including Government payments	do.	125	104	87	82	119	104
Total cash expenditures	do.	851	2,118	2,819	2,682	2,728	2,748
Feed purchased	do.	80	189	178	170	172	175
Livestock expense	do.	25	52	60	61	63	63
Crop expense	do.	90	318	506	489	469	489
Machinery	do.	189	470	792	786	809	815
Farm buildings and fences	do.	98	182	204	225	225	231
Hired labor	do.	118	282	288	235	219	228
Cropper labor	do.	111	365	436	342	392	363
General farm and miscellaneous	do.	140	260	355	374	379	384
Net cash farm income	do.	836	2,568	2,686	1,932	2,409	2,332
Perquisites for cropper and hired labor	do.	44	127	93	84	85	89
Total value of perquisites	do.	304	753	769	731	740	766
Change in inventory:							
Crops and livestock	do.	55	29	-18	194	76	-175
Machinery and buildings	do.	41	111	95	77	60	39
Net farm income	do.	1,192	3,334	3,439	2,850	3,200	2,873
Charge for capital 2/	do.	377	762	922	944	949	1,396
Return to operator and family labor 2/	do.	815	2,572	2,517	1,906	2,251	1,477
Purchasing power in 1937-41 dollars 2/	do.	815	1,309	1,139	866	1,005	642
Return per hour in current dollars 2/	do.	.28	.92	.88	.71	.80	.53
Index numbers (1947-49=100):							
Gross farm income	Percent	36	100	114	101	109	104
Net farm income	do.	36	100	103	85	96	86
Net farm production	do.	84	100	116	97	99	95
Crop yields per acre	do.	80	100	122	113	121	115
Production per hour of man labor	do.	81	100	120	107	107	102
Production per unit of input	do.	90	100	109	93	94	90
Operating expense per unit of production	do.	47	100	114	130	130	138
Total cost per unit of production 2/	do.	48	100	110	127	128	147
Power and machinery, January 1	do.	70	100	151	159	164	168
Prices received for products sold	do.	43	100	98	106	111	107
Prices paid, including wages to hired labor	do.	45	100	121	118	120	121

1/ Preliminary. 2/ Revised.